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The Commission previously found reason to believe that the LCV 527s violated 2 U.S.C. §§ 433 and 434 by failing to register and report as political committees during the 2004 election cycle, and that they violated 2 U.S.C. § 441a(f) by accepting excessive contributions.

II. INTRODUCTION

The Commission previously found reason to believe that the LCV 527s violated 2 U.S.C. §§ 433 and 434 by failing to register and report as political committees during the 2004 election cycle, and that they violated 2 U.S.C. § 441a(f) by accepting excessive contributions.

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3 We recommend that the Commission accept the attached conciliation agreement
4 negotiated with the LCV 527s, which would be the first conciliation agreement with a Section
5 527 organization in connection with 2004 election cycle activity. As set forth below, the
6 agreement reflects

7 Commission determinations concerning the prerequisites of political committee status. While
8 Respondents do not admit or deny each specific basis for the Commission's findings, they no
9 longer contest that they violated the Act and have agreed to pay a civil penalty of \$180,000,
10 The LCV 527s have also
11 agreed to appropriate future conduct prohibitions and additional disclosures of their 2004
12 election cycle activities.

13 Because the LCV 527s have re-directed their focus to nonfederal political activity, the
14 agreement does not require the groups to register and report as political committees at this time.
15 The agreement, however, does require the LCV 527s to register and report if they engage in
16 activities that trigger federal political committee status in connection with a future election.
17 Finally, the attached agreement includes a provision stating that the Commission will take no
18 further action in this matter with respect to LCV Action Fund, which was a respondent under the
19 prior misallocation theory, and various entities and persons who currently are not respondents in
20 this matter, including the LCV 527s' parent organization (the League of Conservation Voters,
21 Inc. – a Section 501(c)(4)) or individual donors to the LCV 527s.
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1 **II. DISCUSSION**

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4 Similarly, the LCV 527s' agreement to pay a substantial civil penalty and to enter an
5 agreement

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7 warrants an exercise of prosecutorial
8 discretion to take no further action with respect to donors who contributed more than \$5,000 to
9 the LCV 527s. *See* 2 U.S.C. § 441a. Moreover, none of these donors appears to have played an
10 active role in the management of either the LCV *MCFL* organization or the LCV 527s

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14 Accordingly, we believe this
15 limitation on further action with respect to the LCV 527s' donors is acceptable.

16 **D. Conclusion**

17 Based on the foregoing, we recommend the Commission accept the attached Conciliation
18 Agreement and close the file in this matter.
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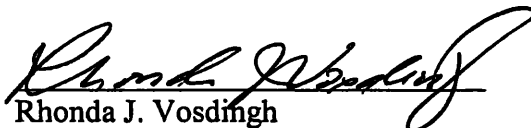
III. RECOMMENDATIONS

1. Accept the attached conciliation agreement with the League of Conservation Voters 527 and League of Conservation Voters 527 II;
2. Take no further action with respect to the League of Conservation Voters Action Fund and Barbara Gonzalez-McIntosh, in her official capacity as treasurer.
3. Approve the appropriate letters; and
4. Close the file.

12/4/06
Date




Lawrence H. Norton
General Counsel



Rhonda J. Vosdingh
Associate General Counsel for Enforcement



Mark D. Shonkwiler
Assistant General Counsel



Peter G. Blumberg
Attorney

Attachment: Proposed Conciliation Agreement